

FISCAL NOTE FOR NON-CAPITAL PROJECTS

| Department: | Contact Person/Phone: | CBO Analyst/Phone: |
|----------------------|---|---------------------------|
| Parks and Recreation | Charles Ng/684-8001 Rita Hollomon/684-8008 | Jeff Muhm /684-8049 |

Legislation Title:

AN ORDINANCE relating to the Department of Parks and Recreation; authorizing the Superintendent to enter into a lease agreement with Interbay N.W. Management, Inc., for the use, occupancy and operation of a 9-hole golf course and for providing services to the public at the Department of Parks and Recreation's Green Lake Pitch and Putt facility.

Summary of the Legislation:

The proposed legislation authorizes the Superintendent of the Department of Parks and Recreation (Superintendent) to enter into a five-year lease agreement with Interbay N.W. Management, Inc. to manage the Green Lake Pitch and Putt golf course located at Green Lake Park. The proposed lease includes an option to extend the lease term for five years at the discretion of the Superintendent.

Background:

The Department of Parks and Recreation's (DPR) Green Lake Pitch and Putt is a 9-hole beginner's golf course that has been available to Green Lake Park patrons for over fifty-three years and has proven to be a popular feature at the park. DPR managed the facility for almost 20 years and decided in the early 1970's that it was more efficient and effective to have a professional golf operator manage and operate this facility. DPR thus issued a series of concession contracts and annual permits to golf operators from 1972 through 2012 to manage the Green Lake golf course.

The current lease agreement expired and DPR conducted a standard Request for Proposal (RFP) process. The successful bidder needed to demonstrate the ability to provide professional management as well as affordable, safe, and reliable service to park patrons. In exchange for the right to manage the facility, the successful bidder is required to provide maintenance, the required insurance, golf instruction, and rent payment of a minimum of \$70,000 to the City of Seattle (City) over the five-year term of the lease. Interbay N.W. Management, Inc. responded to the RFP and was approved by the Superintendent as the most qualified bidder for the new five-year lease agreement.

Please check one of the following:

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Appropriations: N/A

| Fund Name and Number | Department | Budget Control Level* | 2013 Appropriation | 2014 Anticipated Appropriation |
|----------------------|------------|-----------------------|--------------------|--------------------------------|
| | | | | |
| TOTAL | N/A | N/A | N/A | N/A |

Appropriations Notes: None

Anticipated Revenue/Reimbursement Resulting from this Legislation:

| Fund Name and Number | Department | Revenue Source | 2013 Revenue | 2014 Revenue |
|----------------------------------|----------------------|---|-----------------|-----------------|
| Park and Recreation Fund (10200) | Parks and Recreation | Green Lake Pitch and Putt lease payment | \$14,000 | \$14,000 |
| TOTAL | | | \$14,000 | \$14,000 |

Revenue/Reimbursement Notes:

Historically, Green Lake Pitch and Putt has been open from March through October each year with no minimum payment plan required of the concessionaire. The new lease agreement requires Interbay N.W. Management, Inc. to make a minimum payment of \$14,000 per year or 10.5% of gross sales, whichever is greater; as well as pay \$300 per operating month towards the irrigation water utility cost.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact: N/A

| Position Title and Department | Position # for Existing Positions | Fund Name & # | PT/FT | 2013 Positions | 2013 FTE | 2014 Positions* | 2014 FTE* |
|-------------------------------|-----------------------------------|---------------|------------|----------------|------------|-----------------|------------|
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| TOTAL | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Position Notes: None.

Do positions sunset in the future? N/A

Spending/Cash Flow: N/A

| Fund Name & # | Department | Budget Control Level* | 2013 Expenditures | 2014 Anticipated Expenditures |
|---------------|------------|-----------------------|-------------------|-------------------------------|
| | | | | |
| TOTAL | N/A | N/A | N/A | N/A |

Spending/Cash Flow Notes: None

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
No.
- b) **What is the financial cost of not implementing the legislation?**
Without a concessionaire to operate Green Lake Pitch and Putt, DPR would forego at least \$14,000 per year of income and there would be a loss of golfing services to the public at the GLPP course. Conducting another RFP would consume additional resources.
- c) **Does this legislation affect any departments besides the originating department?**
No.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
DPR lacks the staffing and funding to directly operate the GLPP facility. The Department would have to hire and train new staff to operate the facility, which would require new resources and take longer to begin operations.
- e) **Is a public hearing required for this legislation?**
No.
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No; however the RFP was publicly advertised in The Daily Journal of Commerce at the beginning of the process.
- g) **Does this legislation affect a piece of property?**
Yes – a map is attached as Exhibit A to Attachment 1 of the Ordinance.
- h) **Other Issues:**
N/A

List attachments to the fiscal note below:

Attachment A: Contract Summary